

Unilever First Half 2016 Results

Paul Polman / Graeme Pitkethly

21st July 2016



Unilever®



SAFE HARBOUR STATEMENT

This announcement may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as 'will', 'aim', 'expects', 'anticipates', 'intends', 'looks', 'believes', 'vision', or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Unilever Group (the "Group"). They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: Unilever's global brands not meeting consumer preferences; Unilever's ability to innovate and remain competitive; Unilever's investment choices in its portfolio management; inability to find sustainable solutions to support long-term growth; customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain; the cost of raw materials and commodities; the production of safe and high quality products; secure and reliable IT infrastructure; successful execution of acquisitions, divestitures and business transformation projects; economic and political risks and natural disasters; financial risks; failure to meet high and ethical standards; and managing regulatory, tax and legal matters. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

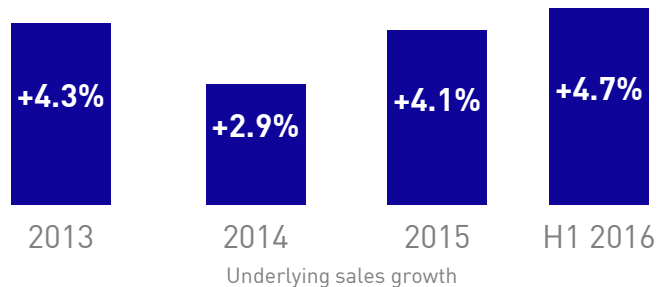
Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including in the Group's Annual Report on Form 20-F for the year ended 31 December 2015 and the Annual Report and Accounts 2015.

Paul Polman

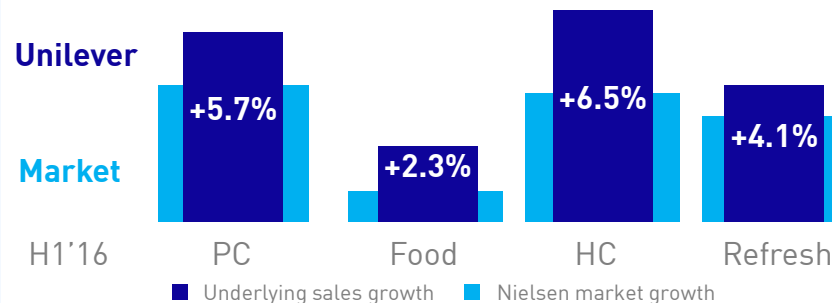


4G growth: Consistent, Competitive, Profitable & Responsible

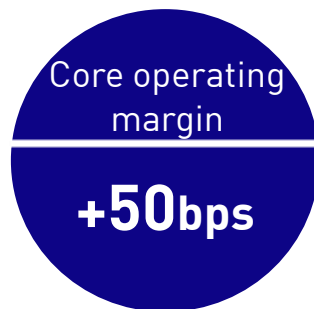
Consistent



Competitive



Profitable



H1 2016

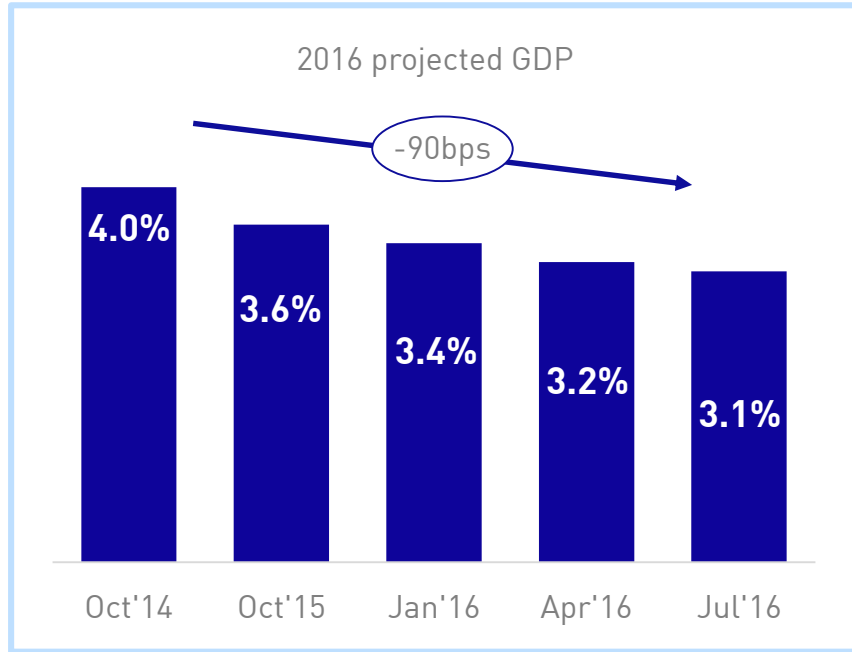
Responsible



H1 2016

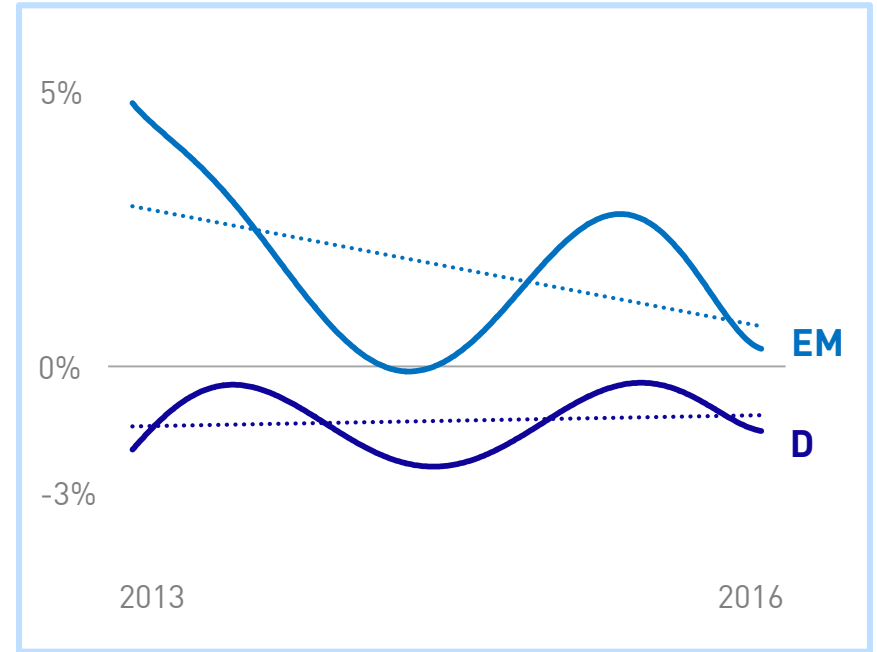
A volatile and increasingly fragmented world

Global growth downgraded... again



Source: IMF

Consumer demand slowing



Source: Nielsen volume market growth in Unilever categories

Building agility and resilience

- ❑ **Step up in innovation**

- ❑ **Portfolio management**

- ❑ **3 key initiatives:**
 1. Net Revenue Management
 2. Organisation: Connected 4 Growth
 3. Zero Based Budgeting

Innovation with global scale

Brands with purpose



A Dove advertisement featuring a woman with her arms crossed. The text reads "I choose beautiful" with a gold dove icon. Below it, smaller text says "There are so many different facets of beauty, and physical beauty is only one of them. Jessi, 20." and "#ChooseBeautiful". The Unilever logo is in the top right corner.

Dove +6% USG in H1

Differentiating technology



A Magnum advertisement showing two ice cream bars. The left one is labeled "NEW DOUBLE CARAMEL" and the right one is "NEW DOUBLE CHOCOLATE". A central white circle with the word "NEW" is positioned between them.

Magnum +6% USG in H1

Faster roll-outs



A Rexona advertisement showing a row of various Rexona deodorant cans, including "10x" and "ANTIBACTERIAL" variants.

Rolled out to 36 markets in H1

Up to 30% reduction in roll-out time for global launches

Innovation made locally relevant

Local insight



Local execution

Example: Sunsilk Hijab



Local brands

Kalina



Lakmé



Marmite



Bango



Up to 50% reduction in lead time on local launches

Innovation in high-growth segments

NATURALS

TRESemmé Botanique



Lipton Pure Leaf



Knorr meal makers



Ben & Jerry's
Non-Dairy



Lux
Silicone-free



Neutral detergent

FREE-FROM

AYURVEDIC



FAL Ayurvedic



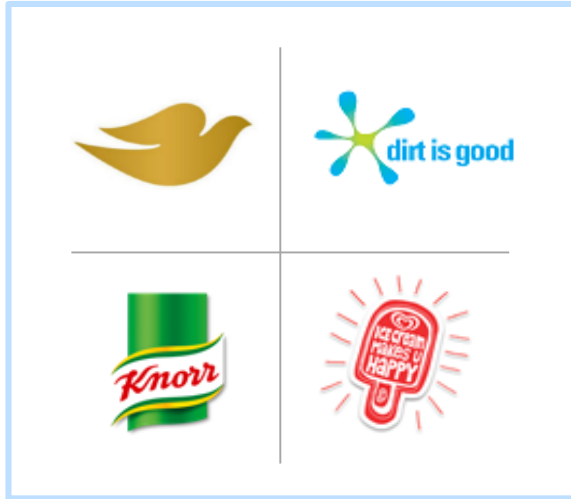
Indulekha



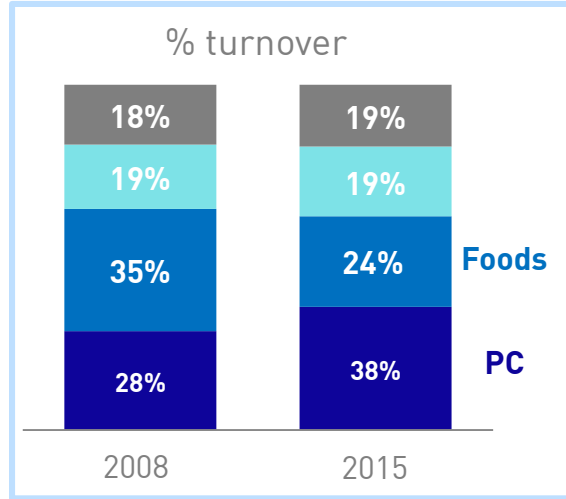
Ayush

Building agility and resilience: Portfolio management

Clear category strategies



Portfolio evolution

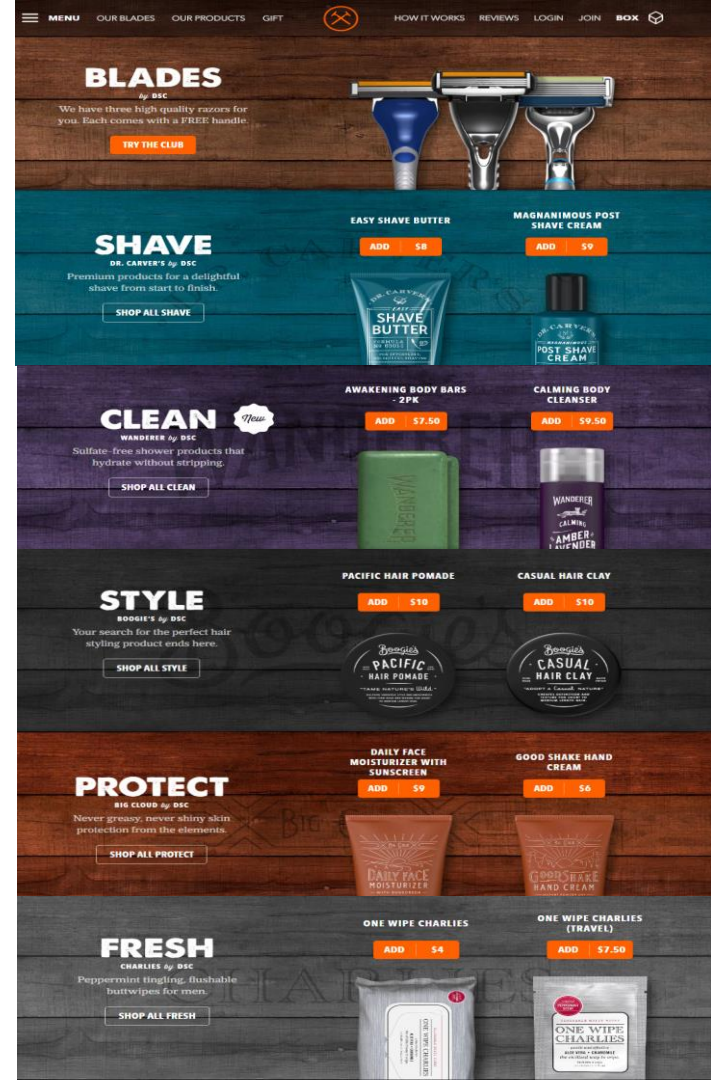


Flexibility in our business model



Subscription-based male grooming; Dollar Shave Club

- ❑ Takes us further into the male grooming category
 - \$42bn market
 - Growing faster than personal care
- ❑ Innovative and disruptive brand
 - 3.2 million loyal club members
 - Products and dialogue across male grooming
- ❑ Category leaders in Direct to Consumer
 - Attractive subscription model
 - Proprietary & extendable technology

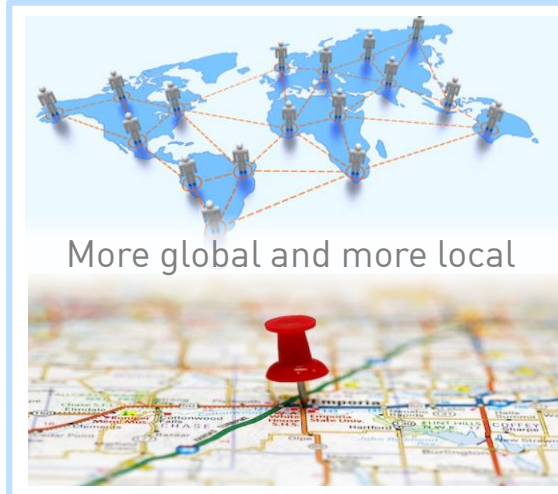


Building agility and resilience: 3 key initiatives

Net Revenue Management



Organisation: Connected 4 Growth



Zero Based Budgeting



ZBB and Connected 4 Growth: €1bn p.a. savings by 2018

Graeme Pitkethly



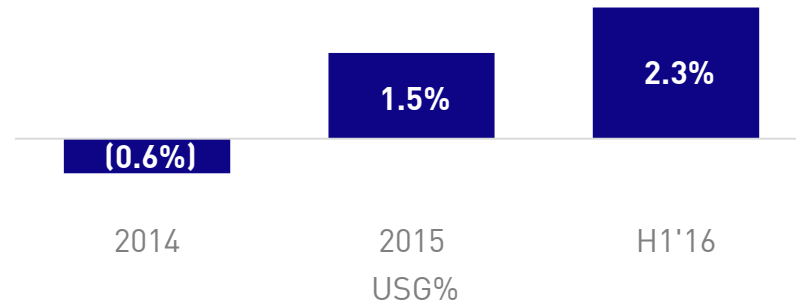
4G growth driven by strategy

Building premium in Personal Care

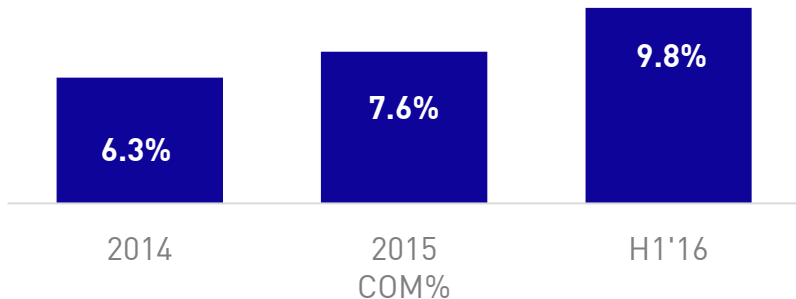


H1 USG%

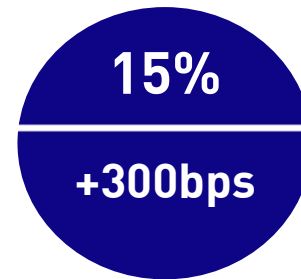
Accelerated growth in Foods



Improved margins in Home Care

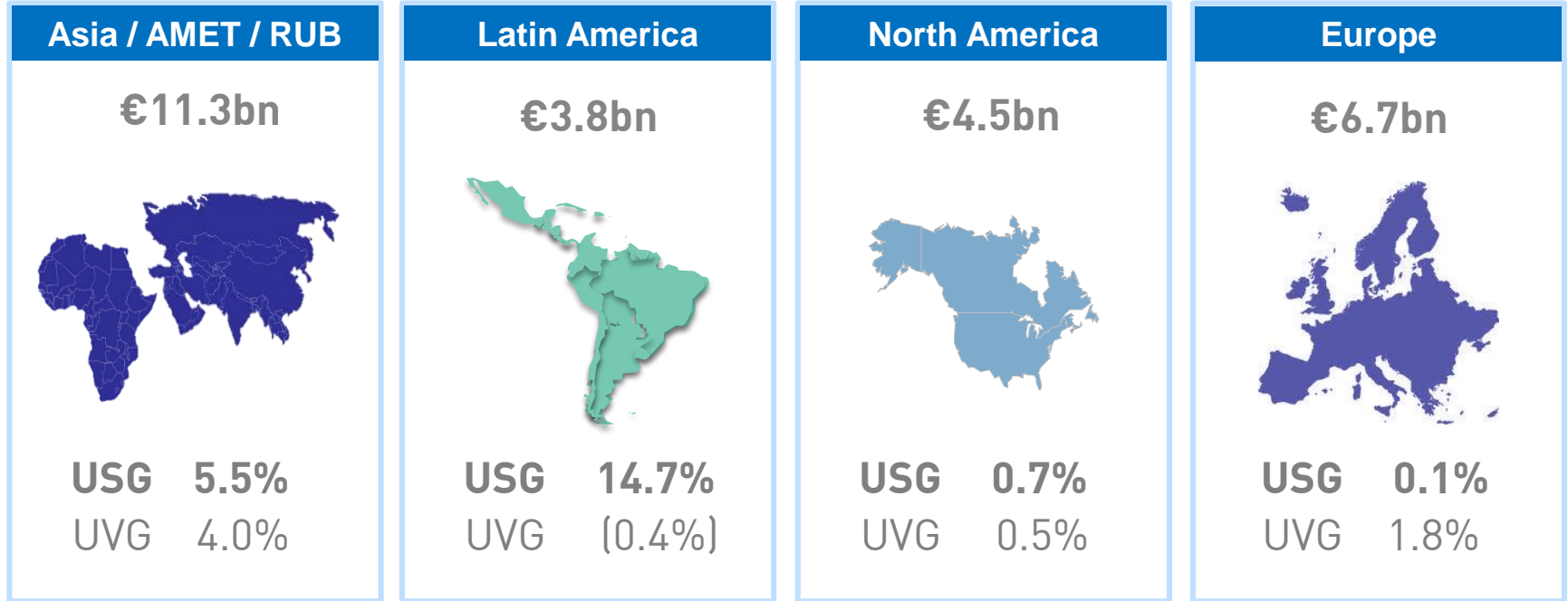


Improved ROIC in Ice Cream



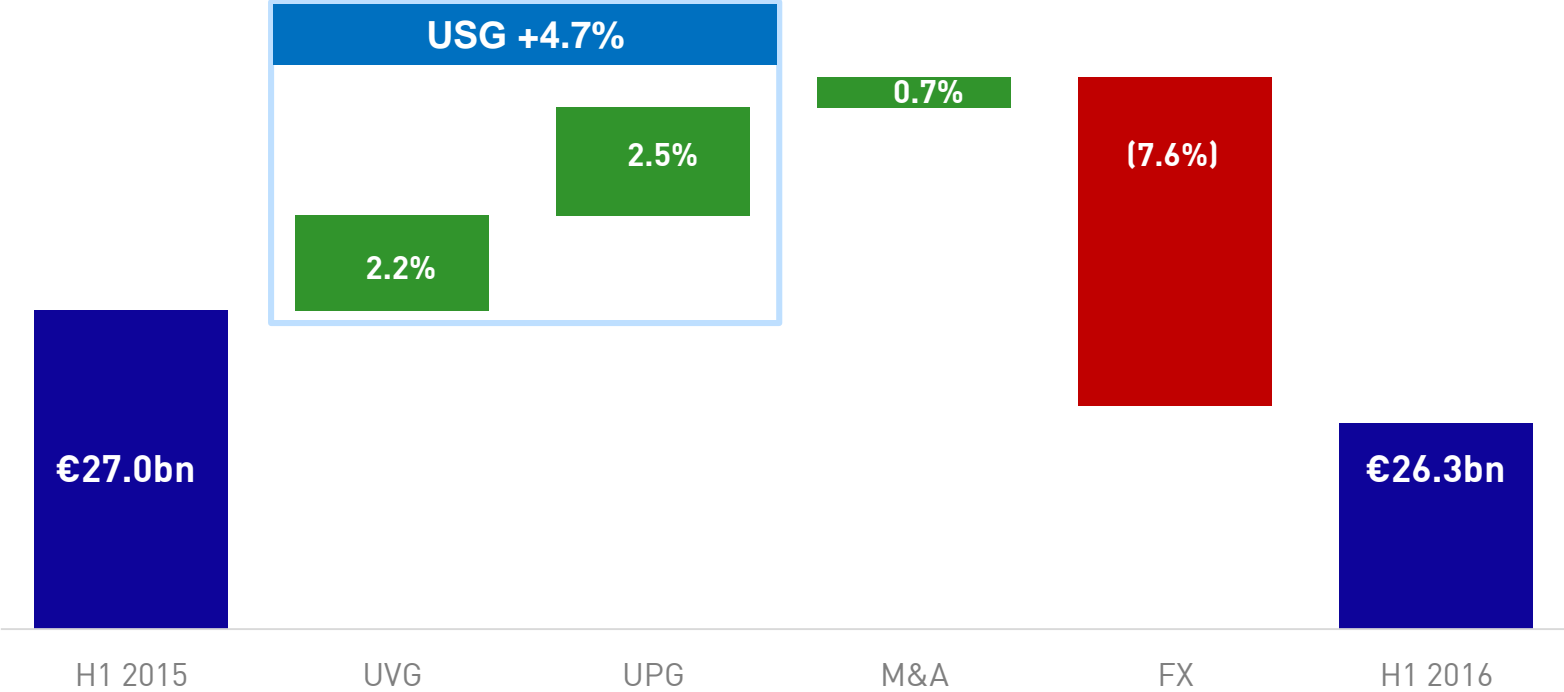
Estimated H1'16 MAT, vs. H1'14

Performance driven by Emerging Markets

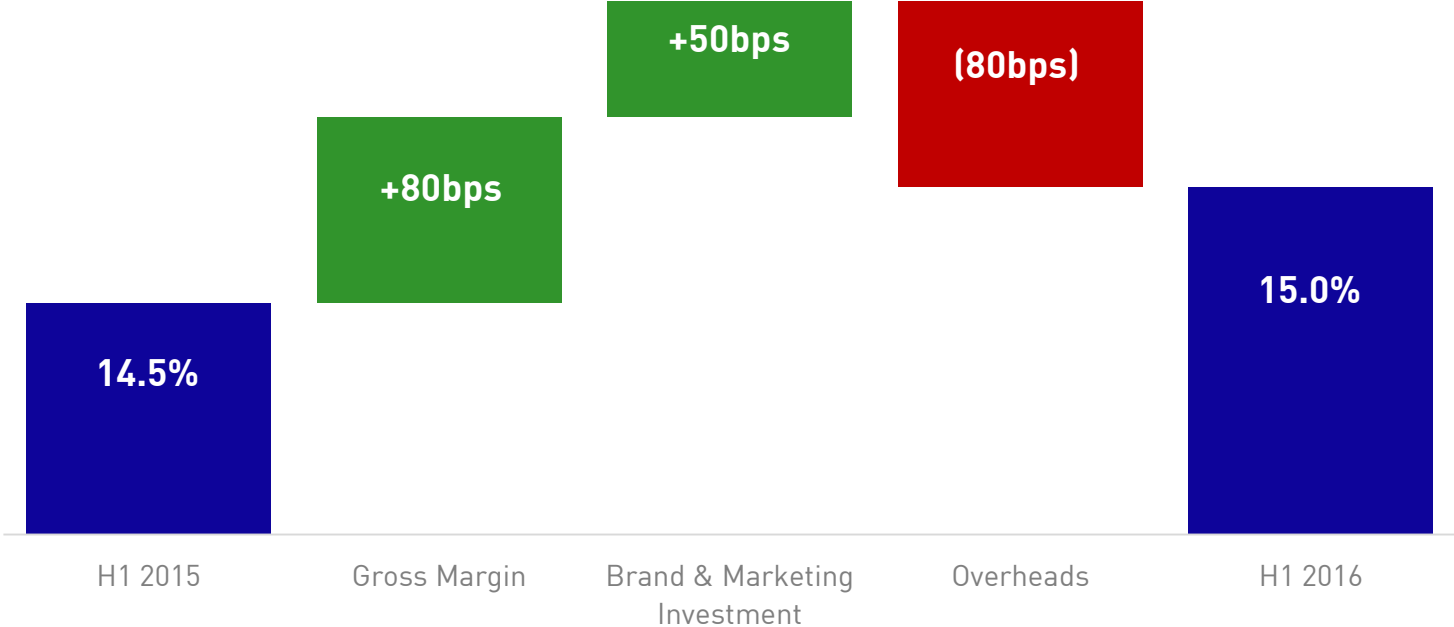


Emerging markets +8.0% USG with +2.9% UVG

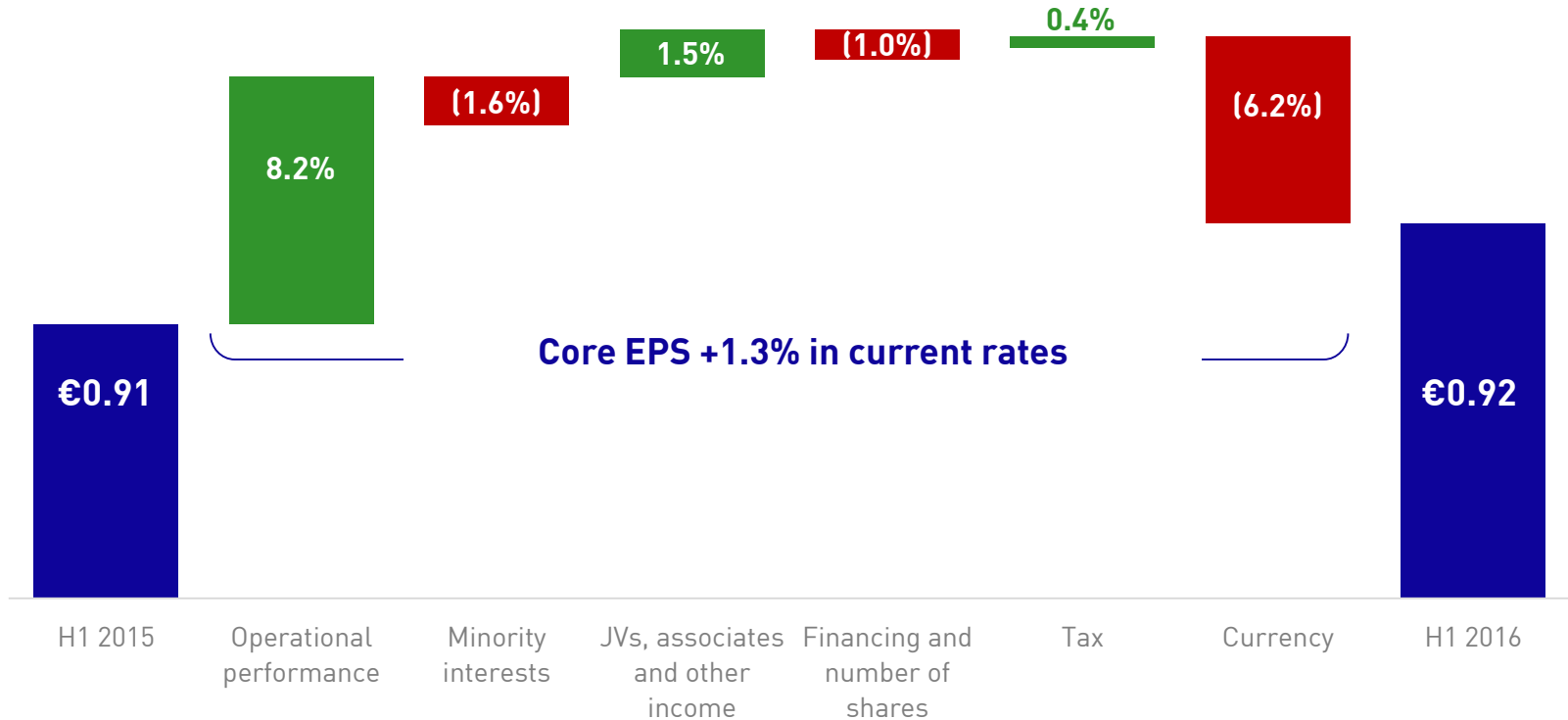
H1 2016: Turnover



H1 2016: Core operating margin up 50bps



H1 2016: Core earnings per share up 7.5% in constant rates



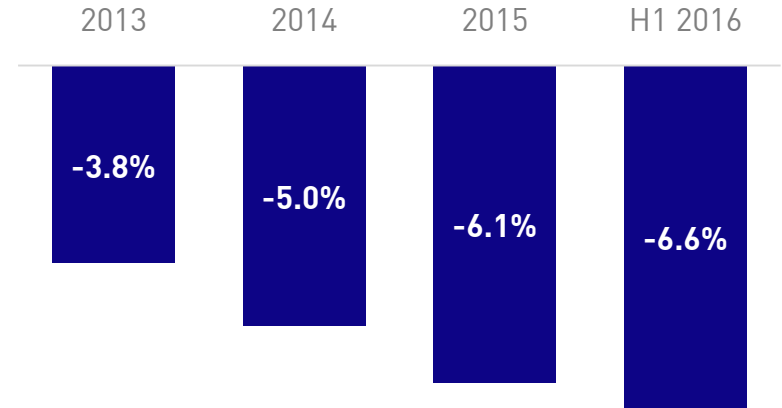
Cash flow

Free cash flow €0.8bn

- ❑ Usual seasonal outflow of working capital in H1
- ❑ Exceptionally low working capital at 31 Dec'15

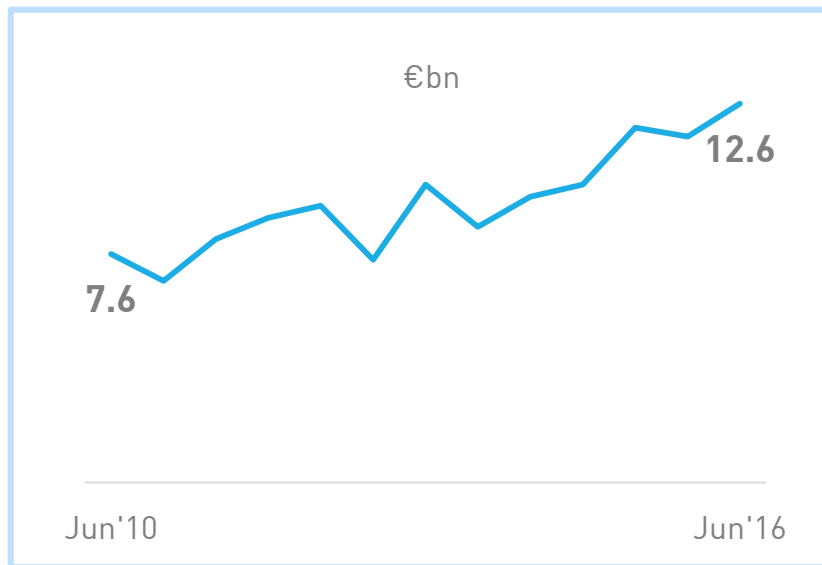
Improving working capital

Moving annual total working capital % turnover



M&A funded by strong cash flow and increased net debt

Net debt



*Jun'13 adjusted for HUL

Acquisitions & disposals

	Last 6 years
Acquisitions*	(€11.5bn)
Net proceeds from disposals	€3.8bn
<hr/>	
Total	(€7.7bn)

*businesses, minorities, Leverhulme family rights

Paul Polman



Priorities and outlook unchanged

Priorities

- ❑ Growth ahead of markets
- ❑ Steady improvement in COM%
- ❑ Strong cash flow

Outlook

Growth in H2 lower than H1:

- Challenging markets
- Tougher comparators

Margin improvement front-weighted:

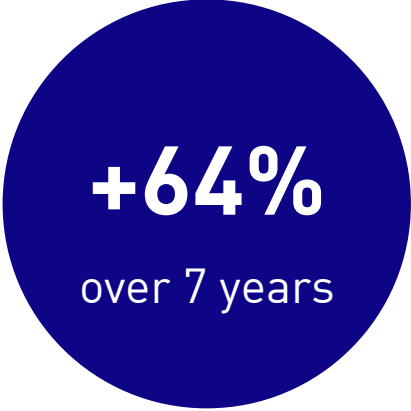
- B&MI increase in H2
- Higher restructuring in H2

In summary

Building agility & resilience

- ❑ Step up in innovation
- ❑ Portfolio management
- ❑ 3 key initiatives:
 1. Net Revenue Management
 2. Organisation: Connected 4 Growth
 3. Zero Based Budgeting

Sustainable, attractive & growing dividend



+64%
over 7 years

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